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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-877]

Welded Line Pipe from the Republic of Korea: Final Negative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are not being provided to producers and exporters of welded line pipe from the Republic of Korea (Korea). The period of investigation is January 1, 2013, through December 31, 2013.

DATES: Effective date: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

FOR FURTHER INFORMATION CONTACT: Rebecca Trainor or Reza Karamloo, Office II, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4007 or (202) 482-4470, respectively.

SUPPLEMENTARY INFORMATION:

Background

The petitioners in this investigation are American Cast Iron Pipe Company, Energex (a division of JMC Steel Group), Maverick Tube Corporation (Maverick), Northwest Pipe Company, Stupp Corporation (a division of Stupp Bros., Inc.), Tex-Tube Company, TMK IPSCO, and Welspun Tubular LLC USA (collectively, the petitioners). In addition to the

Government of the Republic of Korea, the mandatory respondents in this investigation are SeAH Steel Corporation and NEXTEEL Co. Ltd.

The events that have occurred since the Department published the Preliminary Determination¹ on March 20, 2015, are discussed in the Issues and Decision Memorandum, which is hereby incorporated in this notice.² This memorandum also details the changes we made since the Preliminary Determination to the subsidy rates calculated for the mandatory respondents and all other producers/exporters. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The scope of the investigation covers welded line pipe, which is carbon and alloy steel pipe of a kind used for oil or gas pipelines, not more than 24 inches in nominal outside diameter. For a complete description of the scope of the investigation, see Appendix I.

¹ See Welded Line Pipe From the Republic of Korea: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination, 80 FR 14907 (March 20, 2015) (Preliminary Determination).

² See Memorandum to Paul Piquado, "Countervailing Duty Investigation of Welded Line Pipe from the Republic of Korea: Issues and Decision Memorandum for the Final Negative Determination" (October 5, 2015) (Issues and Decision Memorandum).

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum, dated concurrently with this notice. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as Appendix II.

Final Determination

We determine the countervailable subsidy rates to be:

Company	Subsidy Rate
SeAH Steel Corporation	0.44 percent (<u>de minimis</u>)
NEXTEEL Co., Ltd.	0.28 percent (<u>de minimis</u>)

Because the total estimated net countervailable subsidy rate for each examined company is de minimis, we determine that countervailable subsidies are not being provided to producers or exporters of welded line pipe from Korea. We did not calculate an all-others rate pursuant to sections 705(c)(1)(B) and (c)(5) of the Tariff Act of 1930, as amended (the Act) because we did not reach an affirmative final determination. Because our final determination is negative, this proceeding is terminated in accordance with section 705(c)(2) of the Act.

In the Preliminary Determination, the total net countervailable subsidy rates for the individually examined respondents were de minimis and, therefore, we did not suspend liquidation of entries of welded line pipe from Korea. Because the estimated subsidy rates for the examined companies are de minimis in this final determination, we are not directing U.S. Customs and Border Protection to suspend liquidation of entries of welded line pipe from Korea.

International Trade Commission (ITC) Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final determination. Because our final determination is negative, this investigation is terminated.

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to the administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: October 5, 2015.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of this investigation.

The welded line pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Use of Facts Otherwise Available
- V. Subsidies Valuation
- VI. Analysis of Programs
- VII. Analysis of Comments
 - 1. Electricity for Less Than Adequate Remuneration (LTAR)
 - 2. Unreported Subsidies
 - 3. Specificity of RSTA Tax Programs
 - 4. Special Rural Development Tax
 - 5. Husteel as a Mandatory or Voluntary Respondent
- VIII. Recommendation
- IX. [FR Doc. 2015-25967 Filed: 10/9/2015 08:45 am; Publication Date: 10/13/2015]